



Summary of Final Board Determination

Pia Raymond

Candidate, EC2017, City Council District 40

Program participant: \$94,392 public funds received

Woody Raymond, Treasurer of Pia Raymond 2017

The Board determined that the Campaign failed to comply with the Campaign Finance Act and Board rules, and assessed violations and penalties as detailed below.

1. Accepting contributions from corporations \$525

Campaigns may not accept a contribution from any corporation, limited liability company (LLC), or partnership. *See* N.Y.C. Charter § 1052(a)(13); Admin. Code §§ 3-702(8), 3-703(1)(l); Board Rules 1-04(c)(1), (e), (g), 1-05. In-kind contributions include goods or services donated to a candidate free of charge or at a special discount not available to others. *See* Admin. Code § 3-702(8); Board Rule 1-02. Outstanding liabilities that are forgiven or settled for less than the amount owed are also considered contributions. *See* Board Rules 1-04(g)(4), (5).

The Campaign reported an expenditure of \$12,671.74 to Ultimate Tax Preparers Inc. (“UTPI”), an entity listed on the New York State Department of State’s website as a corporation. However, the documentation provided by the Campaign indicates that UTPI was owed \$12,821.74. The underpayment of \$150 is considered an in-kind contribution from UTPI. Additionally, the Campaign accepted and untimely refunded a \$25 contribution from Marilyn Lil Services, Inc. on June 16, 2017.

The Board assessed total penalties of \$525 for these violations.

2. Failing to demonstrate compliance with subcontractor reporting and documentation requirements \$50

If a campaign makes an expenditure to a consultant or other person or entity that relied on subcontractors to provide finished goods or services to the campaign, and the cost of the subcontracted goods or services provided by a single subcontractor exceeds \$5,000, the campaign must report, in addition to the expenditure, the name and address of the subcontractor, the amount(s) of the expenditure(s) to the subcontractor, and the purpose(s) of the subcontracting. The candidate must also obtain and maintain documentation from each vendor that used subcontractors. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11); Board Rules 3-03(e)(3), 4-01(h).

The Campaign reported payments totaling \$22,215.05 to Chifort LLC, but did not report subcontractors used by the vendor and did not submit a subcontractor disclosure form.

The Board assessed a penalty of \$50 for this violation.

3. Failing to document transactions \$790



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Campaigns are required to document all financial transactions. *See* Admin. Code §§ 3-703(1)(d), (g), (11), (12), 3-715; Board Rules 1-09, 4-01(a), (c), (g), (k), 4-03. In-kind contributions include goods or services donated to a candidate free of charge or at a special discount not available to others. *See* Admin. Code § 3-702(8); Board Rule 1-02.

The Campaign contracted to pay Chifort, LLC a total of \$84,840 for its services and to pay Chifort's subcontractors directly. The Campaign did not provide documentation from Chifort confirming this payment arrangement, did not explain the \$11,801.26 discrepancy between the amount contracted with Chifort (\$84,840) and the total amount the Campaign indicated it paid (\$73,038.74), and did not properly report or document the payments made directly to the subcontractors. The Campaign also failed to document the fair market value of in-kind contributions totaling \$1,610 from three individuals. Additionally, the Campaign reported expenditures totaling \$1,600 to Culture Zone Worldwide Product. The invoices provided by the Campaign indicate discounts totaling \$500, which were not reported or documented by the Campaign as in-kind contributions.

The Board assessed total penalties of \$790 for these violations.

4. Failing to demonstrate compliance with intermediary reporting and documentation requirements \$200

Campaigns are required to report the intermediary for each contribution that was delivered or solicited by an intermediary. In addition, campaigns are required to provide a signed intermediary affirmation statement for each intermediated contribution. *See* Admin. Code §§ 3-702(12), 3-703(1)(d), (g), (6), (11); Board Rules 3-03(c)(7), 4-01(b)(5).

The Campaign failed to report two intermediaries.

The Board assessed total penalties of \$200 for these violations.

5. Failing to demonstrate that spending was in furtherance of the campaign \$544

Campaigns are required to demonstrate that all spending was in furtherance of the campaign. *See* Admin. Code §§ 3-702(21)(a), (b); 3-703(1)(d), (g), (6), (11); Board Rules 1-03(a), 1-08(p), 4-01(e).

The Campaign failed to demonstrate that expenditures totaling \$2,176.57 to Kessler Creative were made in furtherance of the campaign.

The Board assessed a total penalty of \$544 for this violation.

6. Making impermissible post-election expenditures \$130

After an election and before repaying leftover campaign funds to the Board, participants may spend campaign funds only to pay campaign-related expenses incurred in the preceding election and for "routine activities involving nominal cost associated with winding up a campaign and responding to the post-election audit." *See* Admin. Code §§ 3-702(21)(a)(8), 3-703(1)(d), (g), (6), (11), 3-710(2)(c); Board Rules 1-03(a), 1-08(b), 5-03(e)(2).



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The Campaign made expenditures totaling \$520 that, based on the timing and/or purpose reported, are considered impermissible post-election expenditures.

The Board assessed total penalties of \$130 for these violations.

7. Failing to respond to the Draft Audit Report and Filing a late response to the Initial Documentation Request **\$9,839**

Campaigns are required to maintain records, such as copies of checks, invoices, and bank records, to verify financial transactions reported in disclosure statements, and campaigns are required to provide such records to the Board upon request and to respond to specific questions regarding compliance with the Act and Board rules. *See* Admin. Code §§ 3-703(1)(d), (g), (6), (11), (12), 3-708(5), 3-710(1); Board Rules 1-09(a), 4-01, 4-05(a). Candidates who fail to respond to the Draft Audit Report may be subject to a penalty of up to 10% of total public funds received. *See* Admin. Code § 3-711(2)(b).

The Campaign received the IDR on March 23, 2018 with a response deadline of April 23. The Campaign requested and received two extensions totaling 94 days, with a final due date of July 26. The Campaign submitted its response to the IDR on August 3, eight days after the deadline. The Campaign received the DAR on December 26, 2018 with a response deadline of January 25, 2019. The Campaign failed to submit a response to the DAR.

The Board assessed total penalties of \$9,839 for these violations.